

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

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U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST DIV COLUMBUS

UNITED STATES OF AMERICA

VS.

JOHN ALLEN SNOBLE

2:04 cr 193
No. _____

JUDGE GRAHAM

STATEMENT OF FACTS

The United States of America and JOHN ALLEN SNOBLE, the defendant, agree that the following statement provides a factual basis for his plea of guilty in this case, pursuant to Fed.R.Crim.P. 11(b)(3):

National Century Financial Enterprises, Inc., or NCFE, was an Ohio corporation, headquartered in Dublin, Ohio, that operated as a financial service holding company, which, through its subsidiary corporations, purchased accounts receivable from hospitals, nursing homes and other medical providers and concerns. NCFE advertised that its principal business was financing health care providers through the purchase of their accounts receivable payable by private insurers and public health care programs such as Medicare and Medicaid, and described itself in promotional statements as the leading supplier of working capital to the medical industry in the United States.

NPF VI, Inc., or NPF VI, was an Ohio corporation and a wholly-owned subsidiary of NCFE. NPF VI was formed for the stated purpose of purchasing health care receivables and funding such purchases with the proceeds from the offer and sale of securities, known as health care receivables

securitization program notes, to investors. As of June 30, 2002, NCFE claimed the net value of all purchased receivables for NPF VI was \$908,980,775.

NPF XII, Inc., or NPF XII, also was an Ohio corporation and a wholly-owned subsidiary of NCFE. Like NPF VI, NPF XII was formed for the stated purpose of purchasing health care receivables and funding such purchases with the proceeds from the offer and sale of health care receivables securitization program notes to investors. As of July 1, 2002, NCFE claimed the net value of all purchased receivables for NPF XII was \$2,149,488,559.

The Chase Manhattan Bank acted as a trustee for investors holding health care receivable securitization notes issued by NPF VI. Bank One acted as the trustee for NPF XII investors.

National Premier Financial Services, Inc. was another subsidiary of NCFE that purportedly provided administrative services for health care receivables purchases by NPF VI and NPF XII.

Several accounting firms, including PricewaterhouseCoopers and Deloitte & Touche, among others, were retained by NCFE to perform audits or other accounting procedures for the company and its subsidiaries.

Defendant JOHN ALLEN SNOBLE was employed by NCFE in two management positions, beginning in the position of Chief Financial Officer in 1993 and becoming Vice-President/Controller in 1999.

Beginning about June 1, 1994, JOHN ALLEN SNOBLE conspired with at least nine executives and owners of NCFE and others to defraud investors in health care receivable securitization notes issued by NPF VI and NPF XII. The conspirators furthered the ends of the conspiracy to defraud investors through several means, including falsification of information in reports, creation of fraudulent documents to mislead auditors and investors, engaging in multiple

monetary transactions that involved transfers on a monthly basis of hundreds of millions of dollars between and among bank accounts of NPF VI and NPF XII to deceive trustees and investors about balances in those accounts, and execution of a Ponzi scheme to divert proceeds from the offer and sale of NPF VI and NPF XII notes for purposes other than for financing purchases of health care receivables.


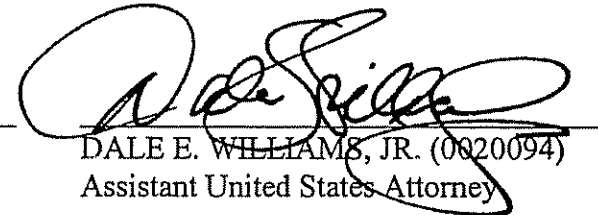
NPF VI started operations on May 17, 1995. The very first investor report for NPF VI was issued on June 21, 1995, and contained false financial information. In the months and years following, several of the co-conspirators caused multiple investor reports for both NPF VI and NPF XII to be prepared and sent to trustees and investment rating companies, knowing that these investor reports contained false financial information. Many of these fraudulent investor reports were transmitted to recipients by interstate facsimile communication from Dublin, Ohio.

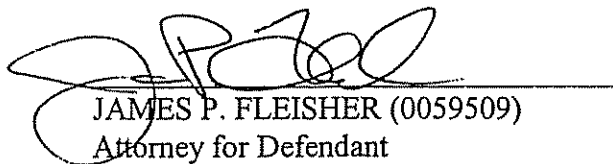
From at least the beginning of 1999, JOHN ALLEN SNOBLE and his co-conspirators exchanged memoranda and electronic messages, recording their plans for creating false records and furthering their efforts to deceive auditors, rating companies and investors. Some of the memoranda described a scheme in which new investor money would be used to cover millions of dollars in existing shortages in reserve and equity accounts, rather than to purchase assets as represented to the new investors. Other memoranda described how multimillion dollar, critically timed wire transfers created the illusion that required funds were held in various NPF VI and NPF XII bank accounts.

The Information filed in this case details one hundred twenty-seven (127) overt acts, among others, committed by the conspirators in furtherance of the conspiracy. One specific overt act involving a monetary transaction through financial institutions occurred on or about June 4, 2002, when JOHN ALLEN SNOBLE caused to be transferred by wire \$42,245,749.00 from an NPF XII

Purchase Account at Bank One to an NPF VI Collection Account at JP Morgan Chase Bank, ostensibly for the purchase of accounts receivable by NPF XII from NPF VI. Within a week, JOHN ALLEN SNOBLE, then the Vice President/Controller of NCFE, maintained an exceptions report that showed, as of May 2002, NPF VI and NPF XII had more than \$1.131 billion in outstanding funding to sellers of accounts receivable, labeled in the report as "915 Advance", which was not supported by purchased accounts receivable or any other collateral held by either NPF VI or NPF XII.

APPROVED:

	
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